

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2010

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TABLE OF CONTENTS

Year Ended December 31, 2010

PART I

	<u>Pages</u>
Independent Auditor's Report	1-3
Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4-5
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet - Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1
Statement of Revenues - Regulatory Basis	A-2
Statement of Expenditures - Regulatory Basis	A-3
<u>Trust Fund</u>	
Comparative Balance Sheet - Regulatory Basis	B
Comparative Statement of Fund Balances - Regulatory Basis	B-1
<u>General Capital Fund</u>	
Comparative Balance Sheet - Regulatory Basis	C
Comparative Statement of Fund Balance - Regulatory Basis	C-1
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet - Regulatory Basis	D
<u>Payroll Fund</u>	
Comparative Balance Sheet - Regulatory Basis	E
	<u>Pages</u>
<u>Notes to Financial Statements</u>	6-23

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TABLE OF CONTENTS

Year Ended December 31, 2010

PART II

Supplementary Schedules

Exhibit

Current Fund

Schedule of Cash - Treasurer	A-4
Schedule of Current Cash - Collector	A-5
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6
Schedule of Tax Title Liens	A-7
Schedule of Revenue Accounts Receivable	A-8
Schedule of Appropriation Reserves	A-9
Schedule of Local District School Tax Payable	A-10
Schedule of Regional High School Tax Payable	A-11
Schedule of Accounts Payable	A-12
Federal and State Grant Fund - Schedule of Grants Receivable	A-13
Federal and State Grant Fund - Schedule of Appropriated Reserves	A-14
Federal and State Grant Fund - Schedule of Unappropriated Reserves	A-15

Trust Fund

Schedule of Cash - Treasurer	B-2
Analysis of Assessment Cash	B-3
Schedule of Reserve for Animal Control Trust Fund Expenditures	B-4
Schedule of Reserve for Other Trust Fund Deposits	B-5
Schedule of Assessment Serial Bonds	B-6
Schedule of Length of Service Award Program Fund Investments	B-7
Schedule of Reserve for Length of Service Award Program Fund	B-8

General Capital Fund

Schedule of Cash - Treasurer	C-2
Analysis of General Capital Fund Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Capital Improvement Fund	C-5
Schedule of Improvement Authorizations	C-6
Schedule of General Serial Bonds	C-7
Schedule of Bond Anticipation Notes	C-8
Schedule of Lease Obligations	C-9
Schedule of Deferred Charges to Future Taxation - Funded	C-10
Schedule of Green Trust Loans Payable	C-11

General Fixed Assets Account Group

Schedule of Investment in General Fixed Assets	D-1
--	-----

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TABLE OF CONTENTS

Year Ended December 31, 2010

PART III

Comments

Pages
24-29

Part IV

Comments and Recommendations

Page
30

BOROUGH OF EATONTOWN

COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Council
Borough of Eatontown
County of Monmouth
Eatontown, New Jersey

We have audited the accompanying regulatory basis financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough") as of December 31, 2010 and 2009, and for the year ended December 31, 2010, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 6.81% and 5.07% of the assets and liabilities, respectively, of the Borough's Trust Fund, as of December 31, 2010 and 2009.

Also, as described in Note 1 to the financial statements, the Borough does not comply with the general fixed assets capitalization policies required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Borough has not valued all fixed assets acquired after December 31, 1985 at actual cost. It was not practicable to determine the effects of capitalizing all fixed assets acquired after December 31, 1985 at actual cost.

In our opinion, because of the effects of the matters discussed in the preceding two paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2010 and 2009, and the changes in its financial position for the year then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited and had the Borough been able to capitalize all fixed assets acquired after December 31, 1985 at actual cost, the regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the various funds of the Borough, as of December 31, 2010 and 2009, and regulatory basis results of operations and changes in fund balance of such funds for the years then ended, and the regulatory basis statement of revenues and the regulatory basis statement of expenditures of such funds for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2011 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statements taken as a whole. The accompanying supplementary schedules and comments section listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the regulatory basis financial statements. Except for the LOSAP Fund supplementary schedules, such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
July 8, 2011

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and
Members of the Council
Borough of Eatontown
County of Monmouth
Eatontown, New Jersey

We have audited the regulatory basis financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2010, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated July 8, 2011, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and we expressed a qualified opinion on the regulatory basis financial statements since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, does not require the Length of Service Award Program to be audited and due to the effect of any adjustments that might have been determined to be necessary had all fixed assets acquired after December 31, 1985 been recorded at actual cost. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

Internal Control Over Financial Reporting (continued)

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain matters that we have reported to the Borough in a separate letter dated July 8, 2011.

This report is intended for the information and use of the Borough's management, the Governing Body, others within the Borough and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not intended to be used by anyone other than these specified parties.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
July 8, 2011

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash and Cash Equivalents:			
Cash - Treasurer	A-4	\$5,242,926	\$6,473,333
Change Funds		500	300
		<u>5,243,426</u>	<u>6,473,633</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	1,011,343	473,307
Tax Title Liens Receivable	A-7	154,755	147,417
Property Acquired for Taxes - Assessed Valuation		201,300	201,300
Revenue Accounts Receivable	A-8	47,100	47,075
Due from Assessment Fund		28	28
Due from Animal Control Trust Fund		1,690	4,090
Due from General Capital Fund		35	5,691
Due from Federal and State Grant Fund		14,613	
	A	<u>1,430,864</u>	<u>878,908</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-53)		122,640	153,300
		<u>6,796,930</u>	<u>7,505,841</u>
Federal and State Grant Fund:			
Due from Current Fund			143,332
Grants Receivable	A-13	612,407	316,095
		<u>612,407</u>	<u>459,427</u>
		<u>\$7,409,337</u>	<u>\$7,965,268</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3:A-9	\$991,496	\$987,082
Accounts Payable	A-12	330,223	126,204
Prepaid Licenses		20,700	9,865
Reserve for Revaluation		4,494	4,494
Reserve for Monmouth County Improvement Authority		10,642	8,692
Reserve for Tax Appeals		76,818	59,468
Reserve for Garden State Trust Fund		2	2
Reserve for Reassessment		35,670	153,300
Due State - Uniform Construction Code Fees		5,472	3,201
Due State - Marriage Licenses		625	550
Local School Tax Payable	A-10	1	1
Regional High School Tax Payable	A-11	1	1
Prepaid Taxes		98,055	133,110
Tax Overpayments		19,727	17,512
Due to Other Trust Fund		5,098	61
Due to Federal and State Grant Fund			143,332
Prepaid Interlocal Agreement		250	250
Due County for Added and Omitted Taxes		11,873	22,723
Due to State of New Jersey (PL 1971, Ch.20)		42,054	36,344
		<u>1,653,201</u>	<u>1,706,192</u>
Reserve for Receivables and Other Assets	A	1,430,864	878,908
Fund Balance	A-1	<u>3,712,865</u>	<u>4,920,741</u>
		<u>6,796,930</u>	<u>7,505,841</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-14	597,792	459,425
Due to Current Fund		14,613	
Unappropriated Reserves	A-15	2	2
		<u>612,407</u>	<u>459,427</u>
		<u>\$7,409,337</u>	<u>\$7,965,268</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	A-2	\$3,825,000	\$3,725,000
Miscellaneous Revenue Anticipated	A-2	4,570,258	4,109,385
Receipts from Delinquent Taxes	A-2	457,053	361,685
Receipts from Current Taxes	A-2	42,807,546	42,754,355
Non-Budget Revenues	A-2	646,481	792,095
Unexpended Balance of Appropriation Reserves	A-9	642,295	848,695
Other Credits to Income:			
Interfunds Returned			6,168
Statutory Excess in Animal Control Fund		1,690	4,090
Canceled Reserves for Grants	A-14	277	8,953
Total Revenue		<u>52,950,600</u>	<u>52,610,426</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	8,662,069	8,397,500
Other Expenses	A-3	7,984,832	7,171,951
Capital Improvements	A-3	210,000	210,000
Municipal Debt Service	A-3	1,747,332	1,806,836
Deferred Charges and Statutory Expenditures	A-3	1,748,321	1,713,769
County Taxes		6,783,859	6,849,004
Local District School Taxes	A-10	14,305,495	14,180,892
Regional High School Taxes	A-11	8,880,955	8,773,607
Refunds	A-4	3,653	11,586
Interfunds Advanced		6,556	9,809
Canceled Grant Receivables	A-13	404	8,993
Total Expenditures		<u>50,333,476</u>	<u>49,133,947</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended Decembers 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Excess in Revenue		\$2,617,124	\$3,476,479
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budgets of Succeeding Years		<u> </u>	<u>153,300</u>
Statutory Excess to Fund Balance		2,617,124	3,629,779
Fund Balance January 1	A	<u>4,920,741</u>	<u>5,015,962</u>
		7,537,865	8,645,741
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>3,825,000</u>	<u>3,725,000</u>
Fund Balance December 31	A	<u><u>\$3,712,865</u></u>	<u><u>\$4,920,741</u></u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-2
Sheet 1 of 4

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2010

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$3,825,000		\$3,825,000	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-8	34,000		32,688	(\$1,312)
Other Licenses	A-8	20,000		33,126	13,126
Fees and Permits	A-8	150,000		212,427	62,427
Municipal Court Fines and Costs	A-8	596,000		602,457	6,457
Interest and Costs on Taxes	A-8	80,000		104,789	24,789
Interest on Investments	A-8	48,000		23,161	(24,839)
Consolidated Municipal Property Tax Relief Act	A-8	186,528		186,528	
Energy Receipts Tax	A-8	1,278,087		1,278,087	
Reserve for Garden State Preservation Trust Fund	A-8	2		2	
Uniform Construction Code Fees	A-8	218,000		312,427	94,427
Mechanical Garage - Eatontown Board of Education	A-8	4,000		9,559	5,559
Uniform Fire Safety Act - Oceanport	A-8	3,716		3,765	49
Clean Communities Program	A-13	23,786		23,786	
Municipal Alliance on Alcoholism and Drug Abuse	A-13	25,983		25,983	
Safe and Secure Communities Program	A-13	60,000		60,000	
Handicapped Recreation Opportunities Fund	A-13	10,000		10,000	
Body Armor Fund	A-13	1,403	\$3,417	4,820	
New Jersey Transportation Trust Fund	A-13	160,000		160,000	
Community Development Block Grant	A-13	185,990		185,990	
Software Project Grant	A-13	2,500		2,500	
CSIP - Tree Maintenance	A-13	7,000		7,000	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-2
Sheet 2 of 4

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2010

		<u>Anticipated</u>			<u>Excess or</u>
	<u>Ref.</u>	<u>Budget</u>	<u>Special</u> <u>N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>(Deficit)</u>
Miscellaneous Revenues (Continued):					
County of Monmouth - Open Space	A-13		\$175,000	\$175,000	
Drunk Driving Enforcement Fund	A-13		9,857	9,857	
Cars - E Grant	A-13		116,989	116,989	
Municipal Alcohol Education/Rehabilitation Program	A-13		704	704	
Click It or Ticket It	A-13		4,000	4,000	
Over the Limit Under Arrest	A-13		4,400	4,400	
Cooperative Housing Inspection Grant	A-8	\$3,500		3,676	\$176
Senior Citizens Housing (In Lieu of Taxes)	A-8	126,000		137,325	11,325
Borough Community Center Programs	A-8	242,000		240,224	(1,776)
Uniform Fire Safety Act	A-8	44,569		61,109	16,540
Hotel Tax	A-8	295,000		295,799	799
Cell Tower Agreements	A-8	236,000		242,080	6,080
	A-1	4,042,064	314,367	4,570,258	213,827
Receipts from Delinquent Taxes	A-1:A-2	420,226		457,053	36,827
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-6	13,949,516		15,063,159	1,113,643
Budget Totals		22,236,806	314,367	23,915,470	\$1,364,297
Non-Budget Revenues	A-2			646,481	
		<u>\$22,236,806</u>	<u>\$314,367</u>	<u>\$24,561,951</u>	
	<u>Ref.</u>	A-3	A-3		

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections-		
By Cash	A-6	\$42,695,506
Senior Citizens and Veterans		<u>112,040</u>
	A-1	42,807,546
Allocated to School and County Taxes		<u>29,933,867</u>
Balance for Support of Municipal Budget Appropriations		12,873,679
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,189,480</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$15,063,159</u></u>
<u>Receipts from Delinquent Taxes</u>		
Delinquent Tax Collections	A-6	\$440,979
Tax Title Liens Collections	A-7	<u>16,074</u>
	A-2	<u><u>\$457,053</u></u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2010

Analysis of Non-Budget Revenue

Insurance Refund	\$232,777
Insurance Settlement	100,000
Recreation Fees	58,764
Payment in Lieu of Taxes	52,000
Cable TV	36,331
Police Auction	36,220
Police Impound Fees	17,103
Composting	15,473
Administrative Fees	14,564
Inspection Fines	14,037
Other Refunds and Reimbursements	11,790
Recycling	9,681
Proceeds from Sale of Property	8,000
Calendar Sales	5,833
Senior Citizen Trips	4,841
Taxi Licenses	3,555
MCIA Lease	3,421
Police Fees and Reports	3,418
Board of Education Reimbursement	2,609
Eatontown Day - Vendor Permits	2,365
SC/V Administrative Fee	2,355
Non-Vested LOSAP Funds	2,114
Mayor Marriage Fees	2,100
Shared Services	1,720
Election Polling Rental Reimbursement	1,600
Use of Building	1,265
Unclaimed Bail	1,023
Returned Check Fees	970
Copies	386
Cancelled Checks	86
Tax Searches	80
	<u>\$646,481</u>

Ref. A-1:A-2

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS"</u>					
General Government:					
Administrative and Executive:					
Salaries and Wages	\$208,775	\$208,775	\$194,758	\$14,017	
Other Expenses	21,650	21,650	20,541	1,109	
Labor Attorney:	20,000	20,000	11,416	8,584	
Mayor and Council:					
Salaries and Wages	60,665	60,665	59,704	961	
Other Expenses	3,000	3,000	2,940	60	
Advertising:					
Other Expenses	25,550	25,550	21,922	3,628	
Elections:					
Salaries and Wages	1,720	1,720	1,661	59	
Other Expenses	4,140	4,140	1,739	2,401	
Municipal Clerk:					
Salaries and Wages	135,535	135,535	131,578	3,957	
Other Expenses	10,400	10,400	9,798	602	
Information Technology:					
Salaries and Wages	79,450	79,450	79,443	7	
Other Expenses	24,868	24,868	12,628	12,240	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Purchasing Department:					
Salaries and Wages	\$31,670	\$31,670	\$31,420	\$250	
Other Expenses	28,250	28,250	26,200	2,050	
Financial Administration:					
Salaries and Wages	168,690	168,690	168,273	417	
Other Expenses	38,580	38,580	27,871	10,709	
Bond Registration Fees	3,000	3,000	2,988	12	
Audit Services	48,000	48,000	14,755	33,245	
Assessment of Taxes:					
Salaries and Wages	75,250	75,250	72,645	2,605	
Other Expenses	9,975	9,975	7,981	1,994	
Collection of Taxes:					
Salaries and Wages	79,085	83,035	82,367	668	
Other Expenses	6,170	6,170	6,041	129	
Legal Services and Costs:					
Other Expenses	180,000	180,000	122,726	57,274	
Special Counsel	100,000	95,820	57,403	38,417	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Municipal Prosecutor:					
Salaries and Wages	\$34,200	\$34,200	\$34,200		
Engineering Service and Costs:					
Miscellaneous Other Expenses	70,500	70,500	68,911	\$1,589	
Public Buildings and Grounds:					
Salaries and Wages	166,525	169,025	168,766	259	
Other Expenses	116,600	116,600	114,462	2,138	
Municipal Land Use Law (NJSA 40:55D-1)					
Planning Board:					
Salaries and Wages	16,865	16,865	16,729	136	
Other Expenses	23,400	23,400	16,527	6,873	
Board of Adjustment:					
Salaries and Wages	28,365	28,365	27,596	769	
Other Expenses	12,950	12,950	10,206	2,744	
Zoning Officer:					
Salaries and Wages	62,350	62,350	58,629	3,721	
Other Expenses	2,315	2,315	1,064	1,251	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Shade Tree Commission:					
Salaries and Wages	\$58,975	\$63,475	\$63,475		
Other Expenses	15,500	15,500	13,982	\$1,518	
Environmental Program:					
Salaries and Wages	800	800		800	
Other Expenses	1,000	1,000	547	453	
Gypsy Moth Program:					
Other Expenses	100	100		100	
Public Safety:					
Fire:					
Salaries and Wages	5,150	5,150	5,150		
Fire Hydrant Service	129,900	129,900	114,290	15,610	
Miscellaneous Other Expenses	81,100	81,100	73,203	7,897	
Insurance:					
Group Insurance	2,562,872	2,562,872	2,469,614	93,258	
Other Insurance	353,400	343,400	332,071	11,329	
Workman's Compensation	427,100	427,100	426,026	1,074	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	\$81,895	\$61,895	\$57,472	\$4,423	
Other Expenses	8,509	8,509	6,024	2,485	
Police:					
Salaries and Wages	4,627,256	4,627,256	4,602,791	24,465	
Other Expenses	258,500	258,500	230,202	28,298	
First Aid Organization Contribution:	29,500	29,500	27,907	1,593	
Demolition of Condemned and Unsafe Structures:					
Other Expenses	1,000	1,000		1,000	
Emergency Management Services:					
Salaries and Wages	834	834	834		
Other Expenses	3,950	3,950	2,667	1,283	
Road Repair and Maintenance:					
Salaries and Wages	841,710	868,710	862,004	6,706	
Other Expenses	73,350	73,350	61,832	11,518	
Municipal Court:					
Salaries and Wages	224,140	219,140	186,892	32,248	
Other Expenses	9,400	9,400	8,020	1,380	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Maintaining of Borough Equipment:					
Salaries and Wages	\$297,540	\$300,940	\$300,509	\$431	
Other Expenses	153,100	153,100	141,260	11,840	
Street Lighting:	148,000	148,000	124,075	23,925	
Monmouth County Reclamation Fees:	390,000	390,000	319,403	70,597	
Recycling - Contractual:					
Salaries and Wages	63,800	53,800	49,183	4,617	
Other Expenses	168,888	168,888	99,331	69,557	
Sanitation - Apartment Collection	220,000	220,000	200,911	19,089	
Health and Welfare:					
Monmouth Cty. Reg. Health Com. (NJSA 40:13)					
Salaries and Wages	7,583	7,583	7,583		
Other Expenses	136,235	136,235	135,965	270	
Administration of Public Assistance:					
Other Expenses	1,750	1,750		1,750	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Relocation:					
Other Expenses	\$1,500	\$1,500		\$1,500	
Housing Inspection:					
Salaries and Wages	68,455	68,455	\$67,590	865	
Other Expenses	700	700	127	573	
Animal Control:					
Other Expenses	2,500	2,500	2,500		
Recreation and Education:					
Parks:					
Salaries and Wages	436,885	436,885	412,900	23,985	
Other Expenses	51,650	51,650	41,813	9,837	
Recreation:					
Salaries and Wages	130,550	126,550	124,761	1,789	
Other Expenses	57,545	57,545	46,838	10,707	
Celebration of Public Events:					
Other Expenses	17,000	17,000	7,941	9,059	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Borough Community Center:					
Salaries and Wages	\$249,115	\$242,115	\$217,465	\$24,650	
Other Expenses	23,150	23,150	15,165	7,985	
Miscellaneous Other Expenses:					
Youth Committee	2,800	2,800	2,563	237	
Tenant's Rights Committee	1,000	1,000		1,000	
Senior Citizen Programs:					
Salaries and Wages	84,030	84,030	82,275	1,755	
Other Expenses	16,650	16,650	11,857	4,793	
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Inspection of Buildings:					
Salaries and Wages	266,010	270,340	268,046	2,294	
Other Expenses	13,035	13,035	9,729	3,306	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Unclassified:					
Fuel for Motor Vehicles	\$210,000	\$210,000	\$168,103	\$41,897	
Salaries and Wages - Adjustment Program	40,600	40,600	40,600		
Business Advisory Committee	1,000	1,000		1,000	
Employee Sick Time Buy-Back	100,000	100,000	80,465	19,535	
Accumulated Absences	10,000	10,000	10,000		
Electricity	139,050	153,550	145,738	7,812	
Telephone	120,000	120,000	99,569	20,431	
Water	20,290	20,290	17,838	2,452	
Natural Gas	80,340	80,340	53,398	26,942	
Total Operations within "CAPS"	15,425,185	15,425,185	14,536,392	888,793	
Contingent	4,000	4,000	2,442	1,558	
Total Operations Including Contingent within "CAPS"	15,429,185	15,429,185	14,538,834	890,351	
Detail:					
Salaries and Wages	8,593,873	8,593,553	8,436,699	156,854	
Other Expenses (Including Contingent)	6,835,312	6,835,632	6,102,135	733,497	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System of N.J.	\$328,302	\$328,302	\$328,302		
Social Security System (O.A.S.I.)	397,925	397,925	389,818	\$8,107	
Police and Firemen's Retirement System of N.J.	868,924	868,924	868,924		
Defined Contribution Retirement Program	4,200	4,200	3,124	1,076	
Early Retirement Incentive Program	26,810	26,810	26,810		
Unemployment Compensation Insurance	16,500	16,500	16,500		
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	<u>1,642,661</u>	<u>1,642,661</u>	<u>1,633,478</u>	<u>9,183</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>17,071,846</u>	<u>17,071,846</u>	<u>16,172,312</u>	<u>899,534</u>	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Aid to Privately Owned Library 40:54-35:					
Salaries and Wages	\$57,300	\$57,300	\$54,680	\$2,620	
Other Expenses	10,104	10,104	8,127	1,977	
Telephone	2,500	2,500	2,500		
9-1-1 System (40A:4-45.3cc)					
Other Expenses	19,100	19,100	9,682	9,418	
Tax Appeal Reserve	50,000	50,000	50,000		
State Recycling Tax (C.311, P.L. 2007)	13,800	13,800	12,732	1,068	
Police & Firemen's Retirement System of N.J.	34,495	34,495	34,495		
Public Employees' Retirement System of N.J.	42,234	42,234	42,234		
Employee Group Health Insurance	221,093	221,093	221,093		
NJDEP/Storm Water Mgt. (40A:4-45.3cc)	36,350	36,350	9,567	26,783	
Length of Service Award Program - Fire	33,000	33,000		33,000	
Length of Service Award Program - First Aid	12,000	12,000		12,000	
Total Other Operations - Excluded from "CAPS"	531,976	531,976	445,110	86,866	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Interlocal Municipal Service Agreements:					
Mechanical Garage - Eatontown					
Board of Education:					
Salaries and Wages	\$4,000	\$4,000	\$4,000		
Uniform Fire Safety Act - Oceanport:					
Salaries and Wages	3,716	3,716	3,620	\$96	
Total Interlocal Municipal Service Agreements	<u>7,716</u>	<u>7,716</u>	<u>7,620</u>	<u>96</u>	
Public and Private Programs Offset by Revenues:					
Handicapped Person's Recreational Opportunities Fund	12,000	12,000	12,000		
Clean Communities Program	23,786	23,786	23,786		
Inspection of Buildings:					
Salaries and Wages	3,500	3,500	3,500		
CSIP - Tree Maintenance	7,000	7,000	7,000		
Drunk Driving Enforcement (40A:4-87, \$9,857+)		9,857	9,857		
Body Armor Fund (40A:4-87, \$3,417+)	1,403	4,820	4,820		
Safe and Secure Communities Program	90,000	90,000	90,000		
Cars - E Grant (40A:4-87, \$116,989+)		116,989	116,989		
Over the Limit Under Arrest (40A:4-87, \$4,400+)		4,400	4,400		

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Municipal Alliance on Alcoholism and Drug Abuse	\$32,478	\$32,478	\$32,478		
Click It or Ticket (40A:4-87, \$4,000+)		4,000	4,000		
County of Monmouth - Open Space (40A:4-87, \$175,000+)		175,000	175,000		
Municipal Alcohol Education/Rehabilitation Program (40A:4-87, \$704+)		704	704		
Community Development Block Grant	185,990	185,990	185,990		
Software Project Grant	2,500	2,500	2,500		
Matching Funds for Grants	5,000	5,000		\$5,000	
Total Public and Private Programs Offset by Revenues	363,657	678,024	673,024	5,000	
Total Operations - Excluded from "CAPS"	903,349	1,217,716	1,125,754	91,962	
Detail:					
Salaries and Wages	68,516	68,516	65,800	2,716	
Other Expenses	834,833	1,149,200	1,059,954	89,246	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$50,000	\$50,000	\$50,000		
New Jersey Transportation Trust Fund Authority Act	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>		
Total Capital Improvements - Excluded from "CAPS"	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>		
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	635,000	635,000	635,000		
Interest on Bonds	365,000	365,000	362,672		\$2,328
Interest on Notes	34,000	34,000	29,774		4,226
Loan Repayments for Principal and Interest	75,371	75,371	75,290		81
Capital Lease Obligations Approved Prior To 7/1/2007					
Principal	515,600	515,600	515,600		
Interest	<u>131,500</u>	<u>131,500</u>	<u>128,996</u>		<u>2,504</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,756,471</u>	<u>1,756,471</u>	<u>1,747,332</u>		<u>9,139</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges:					
Special Emergency Authorizations	\$30,660	\$30,660	\$30,660		
Unfunded Improvement Authorization	75,000	75,000	75,000		
Total Deferred Charges - Municipal - Excluded from "CAPS"	105,660	105,660	105,660		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,975,480	3,289,847	3,188,746	\$91,962	\$9,139
Sub - Total General Appropriations	20,047,326	20,361,693	19,361,058	991,496	9,139
Reserve for Uncollected Taxes	2,189,480	2,189,480	2,189,480		
Total General Appropriations	<u>\$22,236,806</u>	<u>\$22,551,173</u>	<u>\$21,550,538</u>	<u>\$991,496</u>	<u>\$9,139</u>
	<u>Ref.</u>	A-2	A-1	A:A-1	
Appropriation by 40A:4-87	A-2	\$314,367			
Budget	A-3	22,236,806			
		<u>\$22,551,173</u>			

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2010

	<u>Ref.</u>	<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$2,189,480
Disbursed	A-4	18,117,151
Accounts Payable	A-12	330,223
Reserve for Grants Appropriated	A-14	833,024
Reserve for Tax Appeals		50,000
Special Emergency Authorization (40A:4-53)		30,660
		<u>\$21,550,538</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Assessment Fund:			
Cash and Cash Equivalents	B-2	<u>\$43,364</u>	<u>\$118,364</u>
Animal Control Trust Fund:			
Cash and Cash Equivalents	B-2	<u>21,524</u>	<u>21,408</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-2	3,102,425	3,382,566
Due from Current Fund		<u>5,098</u>	<u>61</u>
		<u>3,107,523</u>	<u>3,382,627</u>
Length of Service Award Program Fund:			
(LOSAP) - Unaudited Investments	B-7	<u>231,731</u>	<u>188,063</u>
		<u>\$3,404,142</u>	<u>\$3,710,462</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Assessment Fund:			
Assessment Serial Bonds	B-6		\$75,000
Due to Current Fund		\$28	28
Fund Balance	B-1	43,336	43,336
		<u>43,364</u>	<u>118,364</u>
Animal Control Trust Fund:			
Due to State of New Jersey		193	137
Reserve for Animal Control Fund Expenditures	B-4	15,984	13,386
Due to Current Fund		1,690	4,090
Prepaid Licenses		3,657	3,795
		<u>21,524</u>	<u>21,408</u>
Other Trust Fund:			
Reserve for Other Trust Fund Deposits	B-5	3,101,416	3,376,583
Fund Balance	B-1	6,107	6,044
		<u>3,107,523</u>	<u>3,382,627</u>
Length of Service Award Program Fund:			
(LOSAP) - Unaudited			
Reserve for Length of Service Award Program Fund	B-8	231,731	188,063
		<u>\$3,404,142</u>	<u>\$3,710,462</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

B-1

TRUST FUND
COMPARATIVE STATEMENT OF FUND BALANCES
REGULATORY BASIS
Years Ended December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Other Trust Fund:			
Balance, January 1	B	\$6,044	\$6,044
Increased by:			
Canceled Reserves	B-5	<u>63</u>	<u></u>
Balance, December 31	B	<u><u>\$6,107</u></u>	<u><u>\$6,044</u></u>

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Assessment Fund:			
Balance, January 1	B	\$43,336	\$0
Increased by:			
Collection of Unpledged Assessments		<u></u>	<u>43,336</u>
Balance, December 31	B	<u><u>\$43,336</u></u>	<u><u>\$43,336</u></u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$4,590,720	\$4,274,066
Deferred Charges to Future Taxation:			
Funded	C-10	6,948,315	7,653,385
Unfunded	C-4	3,484,715	2,275,965
Leased Assets under Capital Lease		2,277,700	2,793,300
Other		1	1
		<u>\$17,301,451</u>	<u>\$16,996,717</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-7	\$6,740,000	\$7,375,000
Green Trust Loans Payable	C-11	208,315	278,385
Bond Anticipation Notes	C-8	3,484,715	2,350,965
Improvement Authorizations:			
Funded	C-6	2,259,680	2,426,547
Unfunded	C-6	1,887,855	1,327,193
Lease Obligations	C-9	2,277,700	2,793,300
Reserve for Payment of Bonds		287,500	287,500
Capital Improvement Fund	C-5	43,064	60,980
Due to Current Fund		35	5,691
Fund Balance	C-1	112,587	91,156
		<u>\$17,301,451</u>	<u>\$16,996,717</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Balance, January 1	C	\$91,156	\$91,156
Increased by:			
Premium on Sale of Notes	C-2	<u>21,431</u>	<u> </u>
Balance, December 31	C	<u>\$112,587</u>	<u>\$91,156</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
General Fixed Assets:			
Land, Buildings and Improvements		\$11,045,881	\$10,691,036
Machinery and Equipment		<u>9,495,025</u>	<u>8,511,686</u>
Total General Fixed Assets		<u><u>\$20,540,906</u></u>	<u><u>\$19,202,722</u></u>
<u>Liabilities and Reserves</u>			
Investment in General Fixed Assets	D-1	<u><u>\$20,540,906</u></u>	<u><u>\$19,202,722</u></u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
Cash and Cash Equivalents	<u>\$2,470</u>	<u>\$4,082</u>
<u>Reserves</u>		
Reserve for Expenditures	<u>\$2,470</u>	<u>\$4,082</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A: 5-5. The financial statements of the Borough do not include the operations of the Board of Education, first aid squad, volunteer fire department or The Eatontown Sewerage Authority (a component unit of the Borough), which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements.

B. Description of Funds

The GASB is the recognized standard-setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

Current Fund - used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Trust Fund - used to record animal license revenues and expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Funds (continued)

Payroll Fund - used to record payroll related transactions.

Assessment Fund - used to record transactions relative to the financing of local improvements deemed to benefit the properties against which assessments are levied.

Other Trust Fund - used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

Length of Service Award Program Fund - used to record Borough contributions, changes in market value and administrative charges for program-eligible volunteers.

General Capital Fund - used to record resources, including federal and state grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

General Fixed Assets Account Group - used to record fixed assets utilized in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

Property Taxes and Other Revenues - Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Until lapsed at the close of the succeeding year, appropriation reserves are available to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Deferred Charges - The regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

Sale of Municipal Assets - Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period when the terms of the sales contract become legally enforceable.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Interfunds - Advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated. The Borough has not valued all fixed assets acquired after December 31, 1985 at actual cost.

D. Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents its financial statements, as listed in the table of contents, as required by the Division, which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

F. Reclassification

Certain prior period amounts have been reclassified to conform to the current year financial statements presentation.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

-the market value of the collateral must equal five percent of the average daily balance of public funds; or

-if the public funds deposited exceed seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover custodial securities that are in the possession of an outside party. The Borough does not have a formal deposit policy for custodial credit risk.

The carrying amount of the Borough's cash and cash equivalents at December 31, 2010 and 2009 was \$13,003,929 and \$14,274,119, respectively. As of December 31, 2010 and 2009 the Borough had funds on deposit in accounts at various financial institutions, insured or collateralized as follows:

<u>Depository Accounts</u>	<u>December 31, 2010 Bank Balance Amount</u>	<u>December 31, 2009 Bank Balance Amount</u>
Insured:		
FDIC	\$750,000	\$549,525
Collateralized:		
GUDPA	8,174,950	8,120,255
	<u>\$8,924,950</u>	<u>\$8,669,780</u>

At December 31, 2010 and 2009, Borough bank balance deposit amounts of \$8,174,950 and \$8,120,255, respectively, were exposed to custodial credit risk.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Deposits (continued)

In addition, as of December 31, 2010 and 2009, the Borough had \$4,173,259 and \$5,660,343, respectively, on deposit in the New Jersey Cash Management Fund (the "Fund"). These deposits are subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A: 5-14, the Borough may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered, in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a GUDPA bank;
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments (continued)

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N. J. S. 40A:5-15.1.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Borough does not have a formal investment policy for custodial credit risk. Length of Service Award Program investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Borough. The fair value and book value of the Borough's Length of Service Award Program investments as reported on December 31, 2010 and 2009 were \$231,731 and \$188,063, respectively.

Credit Risk

State law limits investments as described in prior sections of this note to the financial statements. During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. As of December 31, 2010 and 2009 no such investments were held by the Borough.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy for interest rate risk.

3. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes (the "notes") are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

Long-Term Debt

The Borough's long-term bonded debt is summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>
General Improvement	12/1/95	\$2,075,000	5.40-5.50%	\$600,000
General Improvement	12/1/99	1,466,000	5.25%	140,000
General Improvement	12/4/02	1,553,000	5.00%	956,000
General Improvement	12/29/05	1,327,000	4.00-5.00%	855,000
General Improvement	12/4/08	4,549,000	4.00-5.25%	4,189,000
				<u>\$6,740,000</u>

Long-term bonded debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$654,000	\$331,544	\$985,544
2012	535,000	299,894	834,894
2013	565,000	272,492	837,492
2014	589,000	243,544	832,544
2015	452,000	213,294	665,294
2016-2020	2,004,000	748,240	2,752,240
2021-2025	1,581,000	340,230	1,921,230
2026	360,000	18,000	378,000
	<u>\$6,740,000</u>	<u>\$2,467,238</u>	<u>\$9,207,238</u>

3. DEBT (continued)

Long-Term Debt (continued)

Green Trust Loans

The Borough's Green Trust loans are summarized as follows:

Purpose	Year of Issue	Original Loan	Interest Rate	Balance Dec. 31, 2010
Wampum Lake Preserve	1994	\$335,000	2.00%	\$11,850
Eighty Acre Park Development	1994	142,775	2.00%	35,685
Wampum Lake Additions	1994	413,996	2.00%	160,780
				<u>\$208,315</u>

Green Trust Loans debt service requirements are as follows:

Year	General Capital Fund		
	Principal	Interest	Total
2011	\$59,510	\$3,812	\$63,322
2012	48,618	2,735	51,353
2013	49,595	1,757	51,352
2014	50,592	760	51,352
	<u>\$208,315</u>	<u>\$9,064</u>	<u>\$217,379</u>

Long-term debt transactions for the years ended December 31, 2010 and 2009 are summarized as follows:

	Balance Dec. 31, 2009	Deductions	Balance Dec. 31, 2010
General Capital Fund:			
General Serial Bonds	\$7,375,000	\$635,000	\$6,740,000
Green Trust Loans	278,385	70,070	208,315
Assessment Fund:			
Assessment Serial Bonds	75,000	75,000	
	<u>\$7,728,385</u>	<u>\$780,070</u>	<u>\$6,948,315</u>
	Balance Dec. 31, 2008	Deductions	Balance Dec. 31, 2009
General Capital Fund:			
General Serial Bonds	\$7,998,000	\$623,000	\$7,375,000
Green Trust Loans	347,075	68,690	278,385
Assessment Fund:			
Assessment Serial Bonds	147,000	72,000	75,000
	<u>\$8,492,075</u>	<u>\$763,690</u>	<u>\$7,728,385</u>

3. DEBT (continued)

Short-Term Debt

At December 31, 2010 and 2009 the Borough's outstanding bond anticipation notes were as follows:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Dec.31, 2010</u>	<u>Interest Rate</u>
General Capital Fund	10/21/10	10/20/11	\$3,484,715	1.50%
	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Dec.31, 2009</u>	<u>Interest Rate</u>
General Capital Fund	10/21/09	10/20/10	\$2,350,965	1.27%

Bond anticipation note transactions for the years ended December 31, 2010 and 2009 are summarized as follows:

	<u>Balance Dec. 31, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2010</u>
General Capital Fund: Bond Anticipation Notes	<u>\$2,350,965</u>	<u>\$3,484,715</u>	<u>\$2,350,965</u>	<u>\$3,484,715</u>
	<u>Balance Dec. 31, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2009</u>
General Capital Fund: Bond Anticipation Notes	<u>\$5,659,150</u>	<u>\$2,350,965</u>	<u>\$5,659,150</u>	<u>\$2,350,965</u>

4. FUND BALANCE APPROPRIATED

Fund balances at December 31, 2010 and 2009, which were appropriated and included as anticipated revenue in the current fund budget for the years ending December 31, 2011 and 2010 were as follows:

For the year ended December 31, 2011,

Current Fund	\$2,900,000
General Capital Fund	112,587
Assessment Fund	43,336
Other Trust Fund	6,044

For the year ended December 31, 2010,

Current Fund	\$3,825,000
--------------	-------------

5. TAXES COLLECTED IN ADVANCE

Taxes collected in advance and set forth as cash liabilities in the financial statements were as follows:

	<u>Balance December 31,</u>	
	<u>2010</u>	<u>2009</u>
Prepaid Taxes	\$98,055	\$133,110

6. SCHOOL TAXES

Regulations provide for the deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of local and regional school taxes on a school year basis and has elected to defer these taxes at December 31, 2010 and 2009 as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Balance of Tax	\$6,930,578	\$6,849,677	\$4,381,807	\$4,499,150
Deferred	6,930,577	6,849,676	4,381,806	4,499,149
Tax Payable	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>

7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, School Districts and County, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough tax collector on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

8. LEASE OBLIGATIONS PAYABLE

The Borough participates in the Capital Equipment Lease Program of the Monmouth County Improvement Authority (the "Authority"). The Authority has issued revenue bonds in which the Borough pays the debt service as part of the lease agreements. The minimum lease payments are raised annually in the Borough's current fund budget.

The Borough's lease obligations payable are summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Balance Dec. 31, 2010</u>
Capital Equipment	8/15/01	\$1,190,500	4.15%	\$144,500
Capital Equipment	8/1/03	944,500	3.45%-5.00%	292,900
Capital Equipment	8/18/05	1,846,000	4.00%-5.00%	1,017,500
Capital Equipment	10/4/07	1,131,900	4.00%-5.00%	822,800
				<u>\$2,277,700</u>

Minimum future lease payments due to the Authority are as follows:

<u>Year</u>	<u>General Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$538,000	\$106,886	\$644,886
2012	408,700	85,669	494,369
2013	410,800	66,550	477,350
2014	325,100	46,010	371,110
2015	341,300	29,755	371,055
2016	123,800	12,690	136,490
2017	130,000	6,500	136,500
	<u>\$2,277,700</u>	<u>\$354,060</u>	<u>\$2,631,760</u>

9. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft and damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough is a member of the Monmouth Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation, and is sustained through member premiums. In addition, the Fund participates in the Municipal Excess Liability Program Joint Insurance Fund which has a contract for excess liability insurance for property.

10. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2010 and 2009 were \$1,037,078 and \$1,016,402, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

11. PENSION PLANS

Description of Systems

The Borough contributes to the Public Employees' Retirement System ("PERS"), and the Police and Firemen's Retirement System ("PFRS"), cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions.

Funding Policy

In 2010 PERS employee contributions were five and one-half percent (5.50%) of base wages and PFRS employee contributions were eight and one-half percent (8.50%) of base wages. The Division of Pensions actuarially determines employer's contributions annually. The Borough's contributions to the plans for the past three years are as follows:

<u>PERS</u>		<u>PFRS</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2010	\$370,536	2010	\$903,419
2009	321,127	2009	839,540
2008	246,904	2008	788,926

All contributions by the Borough were equal to the required contributions for each of the three years.

12. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. In accordance with New Jersey Statutes the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

13. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2010 and 2009 was as follows:

	Balance Dec. 31, 2009	Additions	Dispositions	Balance Dec. 31, 2010
Land, Buildings and Improvements	\$10,691,036	\$354,845		\$11,045,881
Machinery and Equipment	8,511,686	1,064,266	\$80,927	9,495,025
	<u>\$19,202,722</u>	<u>\$1,419,111</u>	<u>\$80,927</u>	<u>\$20,540,906</u>

	Balance Dec. 31, 2008	Additions	Dispositions	Balance Dec. 31, 2009
Land, Buildings and Improvements	\$10,655,573	\$35,463		\$10,691,036
Machinery and Equipment	8,088,479	1,404,123	\$980,916	8,511,686
	<u>\$18,744,052</u>	<u>\$1,439,586</u>	<u>\$980,916</u>	<u>\$19,202,722</u>

14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

At December 31, 2010 the following deferred charge was reflected on the balance sheet of the current fund:

	Balance Dec. 31, 2010	2011 Budget Appropriation	Balance to Succeeding Budgets
Special Emergency Authorization (40A:4-53)	\$122,640	\$30,660	\$91,980

The appropriation in the 2011 budget is not less than required by statute.

15. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserves for unemployment compensation insurance at December 31, 2010 and 2009 were \$21,758 and \$14,601, respectively.

16. POSTEMPLOYMENT RETIREMENT BENEFITS

In addition to the pension benefits described in Note 11, the Borough provides postemployment retirement health and dental coverage for employees that meet certain service requirements.

Plan Description

The Borough has an agent multiple-employer defined benefit healthcare plan with Central Jersey Health Insurance Fund (the "Fund"). The Borough provides medical, prescription and dental benefits to retirees and their spouses that meet certain eligibility requirements.

Funding Policy

The Borough's funding policy is to pay as you go.

Annual OPEB Cost and Net OPEB Obligation

The Borough's annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The following summarizes the Borough's annual OPEB cost for the year, the amount actually contributed to the Fund, and changes in the Borough's net OPEB obligation:

January 1, 2010 Net OPEB Obligation	\$6,012,600
Plus: Annual OPEB Cost	<u>3,556,300</u>
	9,568,900
Less: Borough contributions	<u>(1,012,436)</u>
December 31, 2010 Net OPEB Obligation	<u><u>\$8,556,464</u></u> *

* In accordance with accounting principles and practices prescribed by the Division, the net OPEB obligation amount is not reported as an expenditure or liability in the accompanying financial statements.

16. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

Funding Status and Funding Progress

The funded status of the Fund was as follows:

Actuarial accrued liability**	\$35,213,300
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	<u>\$35,213,300</u>
Funded ratio	0%

** represents accrued liability at December 31, 2008;
accrued liability to be actuarially recalculated every
three years

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Fund (the Fund as understood by the employer and plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial valuation utilized the projected unit credit cost method. The 2008 actuarial assumptions included an initial annual medical cost trend rate of 10.5%, reduced by decrements to an ultimate rate of 5.0% in 2019. The initial trend rate for prescription benefits is 11.5%, reduced by decrements to an ultimate rate of 5.0% in 2021. The initial trend rate for dental benefits is 6.0%, reduced by decrements to an ultimate rate of 5.0% in 2010. The amortization cost for the unfunded actuarial accrued liability is on a straight line basis, for a period of thirty years.

17. DEFERRED COMPENSATION

The Borough has adopted a Deferred Compensation Plan (the "Plan") in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey.

The Plan enables the Borough's employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

18. LENGTH OF SERVICE AWARD PROGRAM

The Borough has established a Length of Service Award Program to recruit and retain the Borough's volunteer fire department and first aid squad members. The Length of Service Award Program has been established under the laws of the State of New Jersey with the intent that it meets requirements under Section 457(e)(11)(B) of the Internal Revenue Code.

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member shall be \$1,150 per year of active emergency service.

Appropriations - Appropriations for the purpose of funding the Borough's Length of Service Award Program are included as a separate line item in the Borough's budget.

19. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2010 and 2009 are presented below:

	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
<u>Receivables</u>		
Current Fund	\$16,366	\$9,809
Federal and State Grant Fund		143,332
Other Trust Fund	5,098	61
	<u>\$21,464</u>	<u>\$153,202</u>
<u>Payables</u>		
Current Fund	\$5,098	\$143,393
General Capital Fund	35	5,691
Animal Control Trust Fund	1,690	4,090
Assessment Fund	28	28
Federal and State Grant Fund	14,613	
	<u>\$21,464</u>	<u>\$153,202</u>

20. COMMITMENTS AND CONTINGENCIES

Grant Financial Assistance

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2010, the Borough's administration anticipates that no material liabilities will result from such audits.

Legal Proceedings

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration, are not likely to have a material adverse impact on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

21. SUBSEQUENT EVENT

In May 2011 the Borough adopted an ordinance authorizing the issuance of bonds and notes of \$1,289,720 for acquisition of various pieces of equipment and the completion of various capital improvements.

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2010

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2010

Balance, December 31, 2009	<u>Ref.</u> A		\$6,473,333
Increased by Receipts:			
Collector	A-5	\$43,269,758	
Revenue Accounts Receivable	A-8	3,664,575	
State Share-Senior Citizens & Veterans Deductions		117,750	
Miscellaneous Revenue Not Anticipated		646,120	
Reserve for Monmouth County Improvement Authority		77,932	
Prepaid Licenses		20,700	
Grants Receivable	A-13	494,313	
Amount Due from Animal Control Fund			
Reserves For:			
Marriage License Fees		2,150	
Training Fees		40,681	
Interfunds Returned		<u>2,007,597</u>	
			<u>50,341,576</u>
			56,814,909
Decreased by Disbursements:			
Appropriations	A-3	18,117,151	
Accounts Payable	A-12	119,813	
Appropriation Reserves	A-9	351,178	
Local District School Tax	A-10	14,305,495	
Regional High School Tax	A-11	8,880,955	
Appropriated Reserves	A-14	694,380	
County Taxes		6,794,709	
Due to Eatontown Sewerage Authority		13,876	
Refund of Tax Overpayments		31,013	
Reserve for Monmouth County Improvement Authority		75,982	
Interfunds Advanced		1,992,815	
Change Funds		200	
Operations - Refunds	A-1	3,653	
Reserves For:			
Training Fees		38,410	
Marriage Licenses		2,075	
Reassessment		117,630	
Tax Appeals		<u>32,648</u>	
			<u>51,571,983</u>
Balance, December 31, 2010	A		<u><u>\$5,242,926</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR
Year Ended December 31, 2010

	<u>Ref.</u>		
Increased by Receipts:			
Taxes Receivable	A-6	\$42,991,373	
Prepaid Taxes		98,055	
Revenue Accounts Receivable -			
Interest and Costs on Taxes	A-8	104,789	
Tax Title Liens	A-7	16,074	
Tax Overpayments		45,230	
Due to Eatontown Sewerage Authority		13,876	
Miscellaneous Revenue Not Anticipated		361	
		<hr/>	
			<u><u>\$43,269,758</u></u>
Decreased by Disbursements:			
Payment to Treasurer - Current Fund	A-4		<u><u>\$43,269,758</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2010

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>2010 Levy</u>	<u>Collection by Cash</u>		<u>Senior Citizens</u> <u>and Veterans</u> <u>Deductions</u>	<u>Canceled and</u> <u>Adjustments</u>	<u>Overpayments</u> <u>Applied</u>	<u>Transferred</u> <u>to Tax</u> <u>Title Liens</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
			<u>2009</u>	<u>2010</u>					
Prior	\$29,609								\$29,609
2009	443,698			\$440,979					2,719
	473,307			440,979					32,328
2010		\$43,949,964	\$133,110	42,550,394	\$112,040	\$139,991	\$12,002	\$23,412	979,015
	<u>\$473,307</u>	<u>\$43,949,964</u>	<u>\$133,110</u>	<u>\$42,991,373</u>	<u>\$112,040</u>	<u>\$139,991</u>	<u>\$12,002</u>	<u>\$23,412</u>	<u>\$1,011,343</u>
<u>Ref.</u>	A			A-5				A-7	A

Analysis of 2010 Property Tax Levy

Tax Yield:

General Purpose Tax	\$43,873,143
Added Taxes (54:4-63.1 Et Seq.)	73,172
Omitted Taxes (54:4-63.12 Et Seq.)	3,649
	<u>\$43,949,964</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2010

Tax Levy:	<u>Ref.</u>	
Regional High School Tax	A-11	\$8,763,612
Local District School Tax	A-10	14,386,396
County Taxes:		
County Tax		6,048,481
County Library Tax		346,409
County Open Space Tax		377,096
Due to County for Added and Omitted Taxes		11,873
Total County Taxes		<u>6,783,859</u>
Local Tax for Municipal Purposes	A-2	13,949,516
Add: Additional Tax Levied		66,581
Local Tax for Municipal Purposes Levied		<u>14,016,097</u>
		<u><u>\$43,949,964</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance, December 31, 2009	A	\$147,417
Increased by:		
Transfers from Taxes Receivable	A-6	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; margin-right: 10px;">23,412</div> <hr style="width: 100px; border: 0.5px solid black;"/> </div>
		170,829
Decreased by:		
Cash Receipts	A-5	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; margin-right: 10px;">16,074</div> <hr style="width: 100px; border: 0.5px solid black;"/> </div>
Balance, December 31, 2010	A	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; margin-right: 10px;">\$154,755</div> <hr style="width: 100px; border: 0.5px solid black;"/> <hr style="width: 100px; border: 0.5px solid black;"/> </div>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2010

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Accrued in 2010</u>	<u>Realized / Collected</u>	<u>Balance Dec. 31, 2010</u>
Alcoholic Beverage Licenses	A-2		\$32,688	\$32,688	
Other Licenses	A-2		33,126	33,126	
Fees and Permits	A-2		212,427	212,427	
Municipal Court Fines and Costs	A-2	\$47,075	602,482	602,457	\$47,100
Interest and Costs on Taxes	A-2		104,789	104,789	
Interest on Investments	A-2		23,161	23,161	
Consolidated Municipal Property					
Tax Relief Act	A-2		186,528	186,528	
Energy Receipts Tax	A-2		1,278,087	1,278,087	
Reserve for Garden State					
Preservation Trust Fund	A-2		2	2	
Uniform Construction Code Fees	A-2		312,427	312,427	
Mechanical Garage - Eatontown Board of					
Education	A-2		9,559	9,559	
Uniform Fire Safety Act - Oceanport	A-2		3,765	3,765	
Cooperative Housing Inspection Grant	A-2		3,676	3,676	
Senior Citizen Housing (In Lieu of Taxes)	A-2		137,325	137,325	
Borough Community Center Programs	A-2		240,224	240,224	
Uniform Fire Safety Act	A-2		61,109	61,109	
Hotel Tax	A-2		295,799	295,799	
Cell Tower Agreements	A-2		242,080	242,080	
		<u>\$47,075</u>	<u>\$3,779,254</u>	<u>\$3,779,229</u>	<u>\$47,100</u>
	<u>Ref.</u>	A			A
Collected By:					
Treasurer	A-4			\$3,664,575	
Tax Collector:					
Interest and Costs on Taxes	A-5			104,789	
Prepaid Revenue Realized				9,865	
				<u>\$3,779,229</u>	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Canceled</u> <u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>After Transfers</u> <u>and Cancellation</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Salaries and Wages:					
Administrative and Executive	\$337		\$337		\$337
Mayor and Council	11		\$11		\$11
Municipal Clerk	1,565		1,565		1,565
Information Technology	1,500		1,500		1,500
Purchasing	19		19		19
Financial Administration	116		116		116
Assessment of Taxes	66		66		66
Collection of Taxes	16,290		16,290		16,290
Planning Board	11		11		11
Board of Adjustment	1,774		1,774		1,774
Zoning Officer	6,730		6,730	\$4,200	2,530
Environmental Program	800		800		800
Uniform Fire Safety Act	19,854		19,854		19,854
Police	192,170		192,170	9,442	182,728
Municipal Court	4,717		4,717		4,717
Maintaining of Borough					
Equipment	1,116		1,116	230	886
Recycling - Contractual	13,324		13,324		13,324
Housing Inspection	780		780		780
Parks	11,072		11,072		11,072
Recreation	1,497		1,497		1,497
Borough Community Center	22,401		22,401	79	22,322
Senior Citizens Programs	3,053		3,053		3,053
Inspection of Buildings	13,146		13,146		13,146
Aid to Privately Owned Library	1,565		1,565		1,565
Other Expenses:					
Administrative and Executive		\$691	691		691
Labor Attorney	5,802		5,802	2,209	3,593
Mayor and Council	60		60		60
Advertising	2,478		2,478	2,368	110
Elections	2,281		2,281		2,281
Municipal Clerk	447		447	157	290
Information Technology	6,361		6,361	846	5,515
Purchasing	5,917		5,917	5,248	669
Financial Administration	2,515		2,515	2,122	393

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Canceled</u> <u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>After Transfers</u> <u>and Cancellation</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Other Expenses (Continued):					
Bond Registration Fees	\$1,829		\$1,829		\$1,829
Audit Services	30,995		30,995	\$30,995	
Assessment of Taxes	5,402		5,402	4,790	612
Collection of Taxes	99		99		99
Legal Services and Costs	29,792		29,792	15,811	13,981
Special Counsel	16,102		16,102	4,824	11,278
Engineering Services and Costs:					
Miscellaneous Other Expenses	20,414		20,414	18,836	1,578
Public Buildings and Grounds	5,731		5,731	1,222	4,509
Planning Board	12,431		12,431	480	11,951
Board of Adjustment	4,402		4,402	2,327	2,075
Zoning Officer	194		194	80	114
Shade Tree Commission	1,572	\$40	1,612		1,612
Environmental Program	192		192	53	139
Gypsy Moth Program	100		100		100
Fire:					
Fire Hydrant Service	10,500		10,500	10,390	110
Miscellaneous Other Expenses	13,100		13,100	3,565	9,535
Group Insurance	53,071		53,071	2,057	51,014
Insurance	24,445		24,445	7,861	16,584
Uniform Fire Safety Act	3,074		3,074	38	3,036
Police	29,520		29,520	29,151	369
First Aid	2,523		2,523	237	2,286
Demolition of Structures	1,000		1,000		1,000
Emergency Management Services	3,025		3,025	619	2,406
Road Repair and Maintenance	3,250		3,250	208	3,042
Municipal Court	307		307	300	7
Maintaining of Borough Equipment	18,217		18,217	2,075	16,142
Street Lighting	22,948		22,948	21,900	1,048
Monmouth County					
Reclamation Fees	60,369		60,369	30,066	30,303
Recycling	21,529		21,529	11,127	10,402
Sanitation - Apartment Collection	17,073		17,073	7,564	9,509
Administration of Public Assistance	1,750		1,750		1,750
Relocation	1,500		1,500		1,500
Housing Inspection	544		544		544

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Canceled</u> <u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>After Transfers</u> <u>and Cancellation</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Other Expenses (Continued):					
Parks	\$1,078	\$123	\$1,201		\$1,201
Recreation	7,965		7,965	\$50	7,915
Celebration of Public Events	4,237		4,237		4,237
Community Center	4,846		4,846	15	4,831
Youth Committee	667		667		667
Tenant's Rights Committee	1,000		1,000		1,000
Senior Citizen's Program	2,289	59	2,348		2,348
Inspection of Buildings	3,510		3,510	999	2,511
Fuel for Motor Vehicles	64,036		64,036	25,722	38,314
Business Advisory Committee	1,000		1,000		1,000
Employee Sick Time Buy-Back	26,490		26,490	18,651	7,839
Electricity	11,826		11,826	10,369	1,457
Telephone	15,139		15,139	2,806	12,333
Water	2,959		2,959	1,965	994
Natural Gas	24,353		24,353	11,429	12,924
Contingent	3,330		3,330	68	3,262
JCP&L - 2006	1		1		1
Social Security System (O.A.S.I.)	447		447		447
Defined Contribution Retirement Program	447		447	447	
Aid to Privately Owned Library	894	158	1,052		1,052
9-1-1 Systems	5		5		5
State Recycling Tax	188		188	180	8
NJDEP/Storm Water Mgt.	3,600	5,320	8,920		8,920
Length of Service Award Program - Fire	33,000		33,000	33,000	
Length of Service Award Program - First Aid	12,000		12,000	12,000	
Matching Funds for Grants	5,000		5,000		5,000
	<u>\$987,082</u>	<u>\$6,391</u>	<u>\$993,473</u>	<u>\$351,178</u>	<u>\$642,295</u>
<u>Ref.</u>	A	A-12		A-4	A-1

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
Year Ended December 31, 2010

	<u>Ref.</u>		
Balance, December 31, 2009:			
School Tax Payable	A	\$1	
School Tax Deferred		<u>6,849,676</u>	\$6,849,677
Increased by:			
Levy - School Year July 1, 2010 to June 30, 2011	A-6	<u>14,386,396</u>	<u>21,236,073</u>
Decreased by:			
Payments	A-4	<u>14,305,495</u>	
Balance, December 31, 2010:			
School Tax Payable	A	1	
School Tax Deferred		<u>6,930,577</u>	<u>\$6,930,578</u>
<u>2010 Liability for Local District School Tax:</u>			
Tax Paid and Charged to 2010 Operations	A-10:A-1	<u>\$14,305,495</u>	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
Year Ended December 31, 2010

	<u>Ref.</u>		
Balance, December 31, 2009:			
School Tax Payable	A	\$1	
School Tax Deferred		<u>4,499,149</u>	
			\$4,499,150
Increased by:			
Levy - School Year July 1, 2010 to June 30, 2011	A-6		
			<u>8,763,612</u>
			13,262,762
Decreased by:			
Payments	A-4		
			<u>8,880,955</u>
Balance, December 31, 2010:			
School Tax Payable	A	1	
School Tax Deferred		<u>4,381,806</u>	
			<u>\$4,381,807</u>
<u>2010 Liability for Regional High School Tax:</u>			
Tax Paid and Charged to 2010 Operations	A-11:A-1		
			<u>\$8,880,955</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
Year Ended December 31, 2010

	<u>Ref.</u>		
Balance, December 31, 2009	A		\$126,204
Add:			
Transferred from 2010 Appropriations	A-3		<u>330,223</u> 456,427
Less:			
Cash Disbursed	A-4	\$119,813	
Canceled to Appropriation Reserves	A-9	<u>6,391</u>	<u>126,204</u>
Balance, December 31, 2010	A		<u><u>\$330,223</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2010

Grant	Balance Dec. 31, 2009	2010 Anticipated Revenue	Canceled	Cash Receipts	Balance Dec. 31, 2010
Municipal Alliance on Alcoholism and Drug Abuse	\$3,670	\$25,983	\$127	\$10,598	\$18,928
Handicapped Recreation Opportunities Fund	3,513	10,000		11,357	2,156
New Jersey Transportation Trust Fund Municipal Alcohol Education/Rehabilitation Program	279,498	160,000	277	168,799	270,422
Clean Communities Program		704		704	
Safe and Secure Communities Program	13,971	23,786		23,786	
Body Armor Fund		60,000		58,971	15,000
Drunk Driving Enforcement Fund		4,820		4,820	
Click It or Ticket		9,857		9,857	
Justice Assistance Grant	15,443	4,000		4,000	
Community Development Block Grant		14,751		14,751	692
Software Project Grant		185,990		182,270	3,720
CSIP - Tree Maintenance		2,500			2,500
Cars - E Grant		7,000			7,000
Over the Limit Under Arrest		116,989			116,989
County of Monmouth - Open Space		4,400		4,400	
		175,000			175,000
	<u>\$316,095</u>	<u>\$791,029</u>	<u>\$404</u>	<u>\$494,313</u>	<u>\$612,407</u>
<u>Ref.</u>	A	A-2	A-1	A-4	A

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2010

Grant	Balance Dec. 31, 2009	Transfer From 2010 Budget Appropriation	Canceled	Expended	Balance Dec. 31, 2010
Municipal Alcohol					
Education/Rehabilitation Program	\$3,909	\$704			\$4,613
Drunk Driving Enforcement	3,703	9,857		\$4,562	8,998
Comcast Technology	50,000				50,000
Stormwater Regulation	9,927				9,927
Recycling Tonnage	49,338			49,338	
Firefighter's Grant	1				1
New Jersey Transportation					
Trust Fund	268,607	160,000	\$277	162,281	266,049
Community Oriented Policing	20,000			19,651	349
Handicapped Person's Recreational					
Opportunities Fund	1,005	12,000		13,005	
Clean Communities Program		23,786		23,786	
Cooperative Housing Inspection Grant		3,500		3,500	
Body Armor Fund	2,458	4,820		3,263	4,015
Safe and Secure Communities					
Program		90,000		90,000	
Click It or Ticket		4,000		4,000	
Justice Assistance Grant	15,443			14,751	692
Open Space	30,000				30,000
Municipal Alliance on Alcoholism and					
Drug Abuse	5,034	32,478		28,844	8,668
CSIP - Tree Maintenance		7,000			7,000
Community Development Block Grant		185,990		182,270	3,720
Software Project Grant		2,500			2,500
Cars - E Grant		116,989		90,729	26,260
Over the Limit Under Arrest		4,400		4,400	
County of Monmouth - Open Space		175,000			175,000
	<u>\$459,425</u>	<u>\$833,024</u>	<u>\$277</u>	<u>\$694,380</u>	<u>\$597,792</u>

Ref.

A

A-3

A-1

A-4

A

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2010

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2010</u> <u>and 2009</u>
Clean Communities	\$1
Body Armor Fund	1
	<u>\$2</u>
	<u><u>\$2</u></u>
<u>Ref.</u>	A

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2010

	<u>Ref.</u>	<u>Assessment</u>	<u>Animal Control</u>	<u>Other</u>
Balance, December 31, 2009	B	<u>\$118,364</u>	<u>\$21,408</u>	<u>\$3,382,566</u>
Increased by Receipts:				
Due from Current Fund				261,844
2010 Budget Appropriation	B-4		2,500	
Dog License Fees	B-4		5,184	
State Dog License Fees			851	
Prepaid Licenses			2,705	
Various Deposits	B-5			913,276
		<u> </u>	<u>11,240</u>	<u>1,175,120</u>
Decreased by Disbursements:				
Due to Current Fund			4,090	266,881
Bonds Payable	B-6	75,000		
State Dog License Fees			796	
Expenditures Under				
R.S. 4:19-15.11	B-4		6,238	
Various Deposits	B-5			1,188,380
		<u>75,000</u>	<u>11,124</u>	<u>1,455,261</u>
Balance, December 31, 2010	B	<u>\$43,364</u>	<u>\$21,524</u>	<u>\$3,102,425</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ANALYSIS OF ASSESSMENT CASH
December 31, 2010

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Fund Balance		\$43,336
Due to Current Fund		<u>28</u>
	B	<u><u>\$43,364</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES
Year Ended December 31, 2010

	<u>Ref.</u>		
Balance, December 31, 2009	B		\$13,386
Increased by:			
2010 Budget Appropriation	B-2	\$2,500	
Dog License Fees Collected in 2010	B-2	5,184	
Dog License Fees Collected in 2009 and 2008		<u>2,842</u>	
			<u>10,526</u>
			23,912
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Animal Control Expenses	B-2	6,238	
Statutory Excess Due Current Fund		<u>1,690</u>	
			<u>7,928</u>
Balance, December 31, 2010	B		<u><u>\$15,984</u></u>

License Fees Collected:	<u>Year</u>	<u>Amount</u>
	2009	\$7,492
	2008	<u>8,492</u>
		<u><u>\$15,984</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR OTHER TRUST FUND DEPOSITS
Year Ended December 31, 2010

Purpose	Balance Dec. 31, 2009	Increased	Decreased	Canceled	Balance Dec. 31, 2010
Developer's Escrow	\$1,159,599	\$116,263	\$428,753		\$847,109
Security Deposits	119,347	41			119,388
Law Enforcement	4,035	4,568	2,019		6,584
Unemployment	14,601	27,229	20,072		21,758
Agency	9,624	22,531	21,356		10,799
Municipal Alliance	3,818	1,230	1,214		3,834
Mayors Marriage	63			\$63	
Public Defender	13,777	11,924	11,830		13,871
Police Outside Employment	113,145	350,072	341,252		121,965
Recreation Contributions	22,656	9,499	14,213		17,942
Uniform Fire Safety Penalties	63,454	4,019	7,864		59,609
Premium on Tax Sale	20,650	36,900	27,150		30,400
POAA	2,529	546			3,075
Fire Contributions	4,877	1,000	955		4,922
Affordable Housing	1,708,969	34,741	69,558		1,674,152
Other Contributions	1,394	4,583	1,395		4,582
Accumulated Absences	105,000	10,000			115,000
Bid Bond	4,300		4,300		
Historical Museum Donations	4,745	200			4,945
Eatontown Economic Development Advisory Committee Donations		2,075	1,800		275
Recycling		40,469			40,469
Outside Liens		235,386	234,649		737
	<u>\$3,376,583</u>	<u>\$913,276</u>	<u>\$1,188,380</u>	<u>\$63</u>	<u>\$3,101,416</u>
<u>Ref.</u>	B	B-2	B-2	B-1	B

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF ASSESSMENT SERIAL BONDS
Year Ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Balance Dec. 31, 2009</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2010</u>
Industrial Way Sidewalks	12/29/05	\$350,000	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$0</u>
		<u>Ref.</u>	B	B-2	B

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF LENGTH OF SERVICE AWARD
PROGRAM FUND INVESTMENTS
Year Ended December 31, 2010

	<u>Ref.</u>		
Balance, December 31, 2009	B		\$188,063
Increased By:			
Borough Contributions	B-8	\$54,050	
Change in Market Value	B-8	<u>14,798</u>	
			<u>68,848</u>
			256,911
Decreased By:			
Distributions	B-8	21,158	
Return of Non-Vested Funds	B-8	2,114	
Administrative Charges	B-8	<u>1,908</u>	
			<u>25,180</u>
Balance, December 31, 2010	B		<u><u>\$231,731</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD
PROGRAM FUND
Year Ended December 31, 2010

	<u>Ref.</u>		
Balance, December 31, 2009	B		\$188,063
Increased By:			
Borough Contributions	B-7	\$54,050	
Change in Market Value	B-7	<u>14,798</u>	
			<u>68,848</u>
			256,911
Decreased By:			
Distributions	B-7	21,158	
Return of Non-Vested Funds	B-7	2,114	
Administrative Charges	B-7	<u>1,908</u>	
			<u>25,180</u>
Balance, December 31, 2010	B		<u><u>\$231,731</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance, December 31, 2009	C	\$4,274,066
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund	C-5	\$50,000
Deferred Charges to Future Taxation Unfunded		75,000
Due to Current Fund		964,694
Premium on Sale of Notes	C-1	21,431
Bond Anticipation Notes	C-8	<u>3,484,715</u>
		<u>4,595,840</u>
		8,869,906
Decreased by Disbursements:		
Bond Anticipation Notes	C-8	2,350,965
Due from Current Fund		970,350
Improvement Authorizations	C-6	<u>957,871</u>
		<u>4,279,186</u>
Balance, December 31, 2010	C	<u><u>\$4,590,720</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2010</u>
Capital Improvement Fund	\$43,064
Miscellaneous	(1)
Due to Current Fund	35
Fund Balance	112,587
Reserve for Payment of Bonds	287,500

Improvement Authorizations:

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
10-2002	Various Improvements	11,195
11-2002	Various Capital Improvements	38,954
21-2002	Phase I Acquisition of Real Property	24,310
08-2003	Industrial Way Sidewalks	30,409
13-2003	Wall Street Sidewalks	15,708
31-2003	Various Improvements	12,328
20-2004	Various Improvements	112,244
10-2005	Acquisition of Capilupi Farm	58,272
11-2005	Various Capital Improvements	622,921
13-2006	Various Road Improvements	152,363
26-2006	Various Improvements	437,937
19-2007	Various Improvements	743,039
15-2008	Various Improvements	570,044
07-2009	Various Improvements	348,874
15-2010	Various General Improvements	968,937
		<u>\$4,590,720</u>

Ref. C

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - UNFUNDED
December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>
15-2008	Various Improvements	\$871,725
07-2009	Various Improvements	1,329,240
15-2010	Various General Improvements	1,283,750
		<u>\$3,484,715</u>
	<u>Ref.</u>	C

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance, December 31, 2009	C	\$60,980
Increased By:		
2010 Budget Appropriation	C-2	<u>50,000</u>
		110,980
Decreased By:		
Appropriated to Finance Improvement Authorization	C-6	<u>67,916</u>
Balance, December 31, 2010	C	<u>\$43,064</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2010

Ordinance Number	Improvement Description	Ordinance Amount	2010 Authorizations						
			Balance Dec. 31, 2009		Capital Improvement Fund	Deferred Charges To Future Taxation Unfunded	Paid	Balance Dec. 31, 2010	
			Funded	Unfunded				Funded	Unfunded
18-2000	Various Improvements	\$187,500	\$2,254				\$2,254		
10-2002	Various Improvements	579,650	11,195					\$11,195	
11-2002	Various Capital Improvements	1,645,521	41,454				2,500	38,954	
21-2002	Phase I Acquisition of Real Property	55,000	24,310					24,310	
08-2003	Industrial Way Sidewalks	1,020,000	30,409					30,409	
13-2003	Wall Street Sidewalks	235,000	15,708					15,708	
31-2003	Various Improvements	313,000	42,922				30,594	12,328	
20-2004	Various Improvements	600,000	118,145				5,901	112,244	
10-2005	Acquisition of Capilupi Farm	900,000	58,272					58,272	
11-2005	Various Capital Improvements	1,650,000	662,070				39,149	622,921	
13-2006	Various Road Improvements	200,000	152,363					152,363	
26-2006	Various Improvements	780,000	466,196				28,259	437,937	
19-2007	Various Improvements	1,461,300	801,249				58,210	743,039	
15-2008	Various Improvements	1,075,500		\$602,847			32,803		\$570,044
07-2009	Various Improvements	1,399,200		724,346			375,472		348,874
15-2010	Various General Improvements	1,351,666			\$67,916	\$1,283,750	382,729		968,937
			<u>\$2,426,547</u>	<u>\$1,327,193</u>	<u>\$67,916</u>	<u>\$1,283,750</u>	<u>\$957,871</u>	<u>\$2,259,680</u>	<u>\$1,887,855</u>
	Ref.		C	C	C-5		C-2	C	C

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2010</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement	12/1/95	\$2,075,000	7/15/11	\$140,000	5.40%	\$730,000	\$130,000	\$600,000
			7/15/12	145,000	5.45%			
			7/15/13	155,000	5.45%			
			7/15/14	160,000	5.50%			
General Improvement	12/1/99	1,466,000	12/1/11	140,000	5.25%	280,000	140,000	140,000
General Improvement	12/4/02	1,553,000	12/1/11	87,000	5.00%	1,040,000	84,000	956,000
			12/1/12	91,000	5.00%			
			12/1/13	96,000	5.00%			
			12/1/14	100,000	5.00%			
			12/1/15	105,000	5.00%			
			12/1/16	111,000	5.00%			
			12/1/17	116,000	5.00%			
			12/1/18	122,000	5.00%			
			12/1/19	128,000	5.00%			

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2010		Interest Rate	Balance Dec. 31, 2009	Decreased	Balance Dec. 31, 2010
			Date	Amount				
General Improvement	12/29/05	\$1,327,000	12/1/11	\$105,000	5.00%	\$956,000	\$101,000	\$855,000
			12/1/12	110,000	5.00%			
			12/1/13	116,000	5.00%			
			12/1/14	121,000	5.00%			
			12/1/15	128,000	5.00%			
			12/1/16	134,000	5.00%			
			12/1/17	141,000	4.00%			
General Improvement	12/4/08	4,549,000	12/1/11	182,000	4.00%	4,369,000	180,000	4,189,000
			12/1/12	189,000	5.00%			
			12/1/13	198,000	5.00%			
			12/1/14	208,000	5.00%			
			12/1/15	219,000	5.00%			
			12/1/16	230,000	4.00%			
			12/1/17	239,000	4.00%			
			12/1/18	248,000	5.25%			
			12/1/19	262,000	4.50%			
			12/1/20	273,000	4.50%			
			12/1/21	286,000	5.00%			
			12/1/22	300,000	5.25%			
			12/1/23	316,000	5.00%			
			12/1/24	331,000	5.125%			
			12/1/25	348,000	5.125%			
			12/1/26	360,000	5.00%			
Ref.						C	C-10	C

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
15-2008	Various Improvements	10/22/08	10/21/09	10/20/10	1.27%	\$1,021,725		\$1,021,725	
07-2009	Various Improvements	10/21/09	10/21/09	10/20/10	1.27%	1,329,240		1,329,240	
15-2008	Various Improvements	10/22/08	10/21/10	10/20/11	1.50%		\$871,725		\$871,725
07-2009	Various Improvements	10/21/09	10/21/10	10/20/11	1.50%		1,329,240		1,329,240
15-2010	Various General Improvements	10/21/10	10/21/10	10/20/11	1.50%		1,283,750		1,283,750
						<u>\$2,350,965</u>	<u>\$3,484,715</u>	<u>\$2,350,965</u>	<u>\$3,484,715</u>
					<u>Ref.</u>	C	C-2	C-2	C

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF LEASE OBLIGATIONS
December 31, 2010

<u>Year Due</u>	<u>Principal</u>	<u>Interest</u>
2011	\$538,000	\$106,886
2012	408,700	85,669
2013	410,800	66,550
2014	325,100	46,010
2015	341,300	29,755
2016	123,800	12,690
2017	130,000	6,500
	<u>\$2,277,700</u>	<u>\$354,060</u>

Ref. C

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - FUNDED
Year Ended December 31, 2010

	<u>Ref.</u>		
Balance, December 31, 2009	C		\$7,653,385
Decreased by:			
Budget Appropriation to Pay General Serial Bonds	C-7	\$635,000	
Budget Appropriation to Pay Green Trust Loans	C-11	<u>70,070</u>	
			<u>705,070</u>
Balance, December 31, 2010	C		<u><u>\$6,948,315</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOANS PAYABLE
Year Ended December 31, 2010

	<u>Ref.</u>	
Balance, December 31, 2009	C	\$278,385
Decreased by:		
Budget Appropriation to Pay Green Trust Loans	C-10	<u>70,070</u>
Balance, December 31, 2010	C	<u><u>\$208,315</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS
Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
General Fixed Assets:				
Land, Buildings and Improvements	\$10,691,036	\$354,845		\$11,045,881
Machinery and Equipment	<u>8,511,686</u>	<u>1,064,266</u>	<u>\$80,927</u>	<u>9,495,025</u>
	<u><u>\$19,202,722</u></u>	<u><u>\$1,419,111</u></u>	<u><u>\$80,927</u></u>	<u><u>\$20,540,906</u></u>
<u>Ref.</u>	D			D

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2010

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS

YEAR ENDED DECEMBER 31, 2010

Contracts and Agreements Required to be advertised per N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

Building Renovations to the Community Center Annex	Police Uniforms
Emergency Generator Replacement	2010 Roadway Improvement Program
Firehouse Floor Resurfacing and Oil	Improvements to Wolcott Park
Water Separator Replacement	Sanitation Truck
Installation of an Above-Ground Storage Tank at the DPW Facility	Basic Recycling Services
	Solid Waste Collection Services

The minutes indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered."

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67 provides the method for authorizing interest and the maximum rates to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution on January 1, 2010 authorizing interest and the maximum rates to be charged for the nonpayment of taxes on or before the date when they would become delinquent.

"Be it resolved that the interest to be charged on delinquent taxes during the year 2010 be and the same is hereby fixed at eight (8) per centum annum on the first \$1,500.00 of delinquency and eighteen (18) per centum on any amount in excess of \$1,500.00, to be calculated from the date the tax was payable until the date of actual payment, provided, however, no interest shall be charged if the payment of the taxes due is made within the tenth (10) calendar day following the date upon which the same became payable."

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

Tax Title Liens

The last tax sale was held on June 2, 2010 and was complete.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

2010	6
2009	7
2008	7

SUMMARY OF MUNICIPAL DEBT

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Issued</u>			
General bonds and notes	\$10,433,030	\$10,079,350	\$14,151,225
Less:			
Funds on hand to pay bonds and notes	<u>287,500</u>	<u>437,500</u>	<u>5,055,607</u>
Net bonds and notes issued	<u>\$10,145,530</u>	<u>\$9,641,850</u>	<u>\$9,095,618</u>

SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.40%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School	\$28,398,427	\$28,398,427	
General Debt	<u>15,909,393</u>	<u>5,763,863</u>	<u>\$10,145,530</u>
	<u>\$44,307,820</u>	<u>\$34,162,290</u>	<u>\$10,145,530</u>

Net Debt \$10,145,530 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$2,514,865,095 equals 0.40%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3 ½% of Equalized Valuation Basis	\$88,020,278
Net Debt	<u>10,145,530</u>
Remaining Borrowing Power	<u>\$77,874,748</u>

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Municipal	\$.655	\$.541	\$.513
Local School	.676	.589	.573
Regional School	.411	.371	.348
County	.318	.282	.244
Total tax rate	<u>\$2.060</u>	<u>\$1.783</u>	<u>\$1.678</u>

ASSESSED VALUATIONS

2010	\$2,129,764,241
2009	2,424,185,216
2008	2,456,688,843

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH</u> <u>COLLECTIONS</u>	<u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
2010	\$43,949,964	\$42,807,546	97.40%
2009	43,366,892	42,754,355	98.59%
2008	41,349,394	40,773,765	98.61%

DELINQUENT TAXES AND TAX LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax title liens	\$154,755	\$147,417	\$125,192
Delinquent taxes	<u>1,011,343</u>	<u>473,307</u>	<u>400,878</u>
Total delinquent	<u>\$1,166,098</u>	<u>\$620,724</u>	<u>\$526,070</u>
% of tax levy	2.65%	1.43%	1.27%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by tax title lien liquidation, on the basis of the last assessed valuation of such properties, was as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2010	\$201,300
2009	201,300
2008	201,300

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>YEAR</u>	<u>CURRENT FUND BALANCE</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
2010	\$3,712,865	\$2,900,000
2009	4,920,741	3,825,000
2008	5,015,962	3,725,000

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS

YEAR ENDED DECEMBER 31, 2010

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond(s)</u>
Gerald J. Tarantolo	Mayor	
Dennis J. Connelly	Councilman	
Mark Van Wagner	Councilman	
Anthony Talerico, Jr.	Councilman	
Mark W. Regan	Councilman	
Kevin L. Gonzalez	Councilman	
Teresa A. Forbes	Councilwoman	
George Jackson	Administrator	
Andrew Bayer	Attorney	
John Gillooly	Tax Assessor	*
Karen Siano	Clerk and Assessment Searcher	*/**
Patricia De Ponti	Tax Collector and Tax Searcher	*
Lesley Connolly	Chief Financial Officer and Treasurer	*
Mark Apostolou	Magistrate	*
Suzann Lorusso	Court Administrator	*
Valerie Sapienza	Deputy Clerk	*/**
Patricia Campbell	Deputy Court Administrator	*

*Borough employees are covered by faithful performance and employee dishonesty bonds in the amount of \$1,000,000. This insurance coverage is provided to the Borough through its participation in the Monmouth Municipal Joint Insurance Fund.

** Individual bonds of \$5,000

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART IV

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

COMMENTS AND RECOMMENDATIONS

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. In addition, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, we noted certain other matters that we have reported to the Borough's administration in a separate letter dated July 8, 2011.